

## HOUSE SUBSTITUTE

FOR

HOUSE BILL NO. 197

AN ACT

2 To repeal sections 135.207, 135.208, 135.478,  
3 135.481, 135.484, 135.487, and 135.530, RSMo,  
4 and to enact in lieu thereof eight new  
5 sections relating to economic development  
6 projects.

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7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
8 AS FOLLOWS:

9 Section A. Sections 135.207, 135.208, 135.478, 135.481,  
10 135.484, 135.487, and 135.530, RSMo, are repealed and eight new  
11 sections enacted in lieu thereof, to be known as sections  
12 135.207, 135.208, 135.211, 135.478, 135.481, 135.484, 135.487,  
13 and 135.530, to read as follows:

14 135.207. 1. (1) Any city with a population of at least  
15 three hundred fifty thousand inhabitants which is located in more  
16 than one county and any city not within a county, which includes  
17 an existing state designated enterprise zone within the corporate  
18 limits of the city may each, upon approval of the local governing  
19 authority of the city and the director of the department of  
20 economic development, designate up to three satellite zones  
21 within its corporate limits. A prerequisite for the designation  
22 of a satellite zone shall be the approval by the director of a  
23 plan submitted by the local governing authority of the city

1 describing how the satellite zone corresponds to the city's  
2 overall enterprise zone strategy.

3 (2) Any Missouri community classified as a village whose  
4 borders lie adjacent to a city with a population in excess of  
5 three hundred fifty thousand inhabitants as described in  
6 subdivision (1) of this subsection, and which has within the  
7 corporate limits of the village a factory, mining operation,  
8 office, mill, plant or warehouse which has at least three  
9 thousand employees and has an investment in plant, machinery and  
10 equipment of at least two hundred million dollars may, upon  
11 securing approval of the director and the local governing  
12 authorities of the village and the adjacent city which contains  
13 an existing state designated enterprise zone, designate one  
14 satellite zone to be located within the corporate limits of the  
15 village, such zone to be in addition to the six authorized in  
16 subdivision (1) of this subsection.

17 (3) Any geographical area partially contained within any  
18 city not within a county and partially contained within any  
19 county of the first classification with a charter form of  
20 government with a population of nine hundred thousand or more  
21 inhabitants, which area is comprised of a total population of at  
22 least four thousand inhabitants but not more than seventy- two  
23 thousand inhabitants, and which area consists of at least one  
24 fourth class city, and has within its boundaries a military

1 reserve facility and a utility pumping station having a capacity  
2 of ten million cubic feet, may, upon securing approval of the  
3 director and the appropriate local governing authorities as  
4 provided for in section 135.210, be designated as a satellite  
5 zone, such zone to be in addition to the six authorized in  
6 subdivision (1) of this subsection.

7 (4) In addition to all other satellite zones authorized in  
8 this section, any home rule city with more than one hundred  
9 fifty-one thousand five hundred but less than one hundred  
10 fifty-one thousand six hundred inhabitants which includes an  
11 existing state designated enterprise zone within the corporate  
12 limits of the city may, upon approval of the governing authority  
13 of the city and the director of the department of economic  
14 development, designate one satellite zone within its corporate  
15 limits. The zone shall be on land owned by the city which  
16 contains a wastewater treatment plant with a treatment capacity  
17 of five million six hundred thousand cubic feet per day and an  
18 electric power plant having a capacity of at least two hundred  
19 seventy-five megawatts. No satellite zone shall be designated  
20 pursuant to this subsection until the governing authority of the  
21 city submits a plan describing how the satellite zone corresponds  
22 to the city's overall enterprise zone strategy and the director  
23 approves the plan.

24 (5) In addition to all other satellite zones authorized in

1 this section, any city of the fourth classification with more  
2 than three thousand eight hundred but less than four thousand  
3 inhabitants and located in more than one county and which city  
4 lies adjacent to any home rule city with more than one hundred  
5 thirteen thousand two hundred but less than one hundred thirteen  
6 thousand three hundred inhabitants and which contains an  
7 enterprise zone may, upon approval of the director and the  
8 governing authorities of the city of the fourth classification  
9 and the home rule city, designate one satellite zone within its  
10 corporate limits. The satellite enterprise zone authorized by  
11 this subsection shall be designated only if it meets the criteria  
12 established by subdivisions (1) to (4) of subsection 2 of this  
13 section. Retail businesses, as identified by the 1997 North  
14 American Industry Classification System (NAICS) sector numbers  
15 44-45, located within the satellite enterprise zone shall be  
16 eligible for all benefits provided pursuant to the provisions of  
17 sections 135.200 to 135.258.

18 (6) In addition to all other satellite zones authorized in  
19 this section, any home rule city with more than seventy-three  
20 thousand but less than seventy-five thousand inhabitants which  
21 includes an existing state designated enterprise zone within the  
22 corporate limits of the city may, upon approval of the governing  
23 authority of the city and the director of the department of  
24 economic development, designate on satellite zone within its

1 corporate limits. No satellite zone shall be designated pursuant  
2 to this subsection until the governing authority of the city  
3 submits a plan describing how the satellite zone corresponds to  
4 the city's overall enterprise zone strategy and the director  
5 approves the plan.

6         2. For satellite zones designated pursuant to the  
7 provisions of subdivisions (1) and (3) of subsection 1 of this  
8 section, the satellite zones, in conjunction with the existing  
9 state-designated enterprise zone shall meet the following  
10 criteria:

11         (1) The area is one of pervasive poverty, unemployment, and  
12 general distress, or one in which a large number of jobs have  
13 been lost, a large number of employers have closed, or in which a  
14 large percentage of available production capacity is idle. For  
15 the purpose of this subdivision, "large number of jobs" means one  
16 percent or more of the area's population according to the most  
17 recent decennial census, and "large number of employers" means  
18 over five;

19         (2) At least fifty percent of the residents living in the  
20 area have incomes below eighty percent of the median income of  
21 all residents within the state of Missouri according to the last  
22 decennial census or other appropriate source as approved by the  
23 director;

24         (3) The resident population of the existing state

1 designated enterprise zone and its satellite zones must be at  
2 least four thousand but not more than seventy-two thousand at the  
3 time of designation;

4 (4) The level of unemployment of persons, according to the  
5 most recent data available from the division of employment  
6 security or from the United States Bureau of Census and approved  
7 by the director, within the area exceeds one and one-half times  
8 the average rate of unemployment for the state of Missouri over  
9 the previous twelve months, or the percentage of area residents  
10 employed on a full-time basis is less than sixty percent of the  
11 statewide percentage of residents employed on a full-time basis.

12 3. A qualified business located within a satellite zone  
13 shall be subject to the same eligibility criteria and can be  
14 eligible to receive the same benefits as a qualified facility in  
15 sections 135.200 to 135.255.

16 135.208. 1. In addition to the number of enterprise zones  
17 authorized under the provisions of sections 135.206 and 135.210,  
18 the department of economic development shall designate one such  
19 zone in any county of the third class which is south of the  
20 Missouri River and which adjoins one county of the second class  
21 and also the state of Oklahoma. Such designation shall only be  
22 made if the area of the county which is to be included in the  
23 enterprise zone meets all the requirements of section 135.205.

24 2. In addition to the number of enterprise zones authorized

1 under the provisions of sections 135.206 and 135.210, the  
2 department of economic development shall designate one such zone  
3 in any county of the third class which borders the Missouri River  
4 and which adjoins a county of the second class with a population  
5 of at least one hundred thousand inhabitants and which contains a  
6 branch of the state university. Such designation shall only be  
7 made if the area of the county which is to be included in the  
8 enterprise zone meets all the requirements of section 135.205.

9 3. In addition to the number of enterprise zones authorized  
10 under the provisions of sections 135.206, 135.210 and 135.256,  
11 the department of economic development shall designate one such  
12 zone in every county of the third class without a township form  
13 of government with a population of more than seven thousand eight  
14 hundred but less than ten thousand inhabitants located south of  
15 the Missouri River, which adjoins one third class county with a  
16 township form of government, and which adjoins no first or second  
17 class county. Such enterprise zone designation shall only be  
18 made if the area in the county which is to be included in the  
19 enterprise zone meets all the requirements of section 135.205.

20 4. In addition to the number of enterprise zones authorized  
21 pursuant to the provisions of sections 135.206, 135.210 and  
22 135.256, the department of economic development shall designate  
23 one such zone in a city of the third class with a population of  
24 more than eight thousand but less than ten thousand located in a

1 county of the third classification with a township form of  
2 government with a population of more than twenty thousand but  
3 less than twenty-two thousand. Such enterprise zone designation  
4 shall only be made if the area in the city which is to be  
5 included in the enterprise zone meets all the requirements of  
6 section 135.205.

7 5. In addition to the number of enterprise zones authorized  
8 pursuant to the provisions of sections 135.206, 135.210 and  
9 135.256, the department of economic development shall designate  
10 one such zone for any city with a home rule form of government  
11 and a population of at least one hundred ten thousand inhabitants  
12 but not more than one hundred thirty thousand inhabitants. Such  
13 enterprise zone designation shall only be made if the area in the  
14 city which is to be included in the enterprise zone meets all the  
15 requirements of section 135.205.

16 6. In addition to the number of enterprise zones authorized  
17 pursuant to the provisions of sections 135.206, 135.210 and  
18 135.256, the department of economic development shall designate  
19 one such zone for any county of the first classification without  
20 a charter form of government with a population of less than  
21 thirty thousand inhabitants. Such enterprise zone designation  
22 shall only be made if the area in the city which is to be  
23 included in the enterprise zone meets all the requirements of  
24 section 135.205.

1           7. In addition to the number of enterprise zones authorized  
2 pursuant to the provisions of sections 135.206, 135.210, 135.256  
3 and 135.257, the department of economic development shall  
4 designate one such zone in a city of the fourth classification  
5 with a population of at least three thousand but less than four  
6 thousand inhabitants located in a county of the second  
7 classification with a population of at least twenty thousand but  
8 not more than twenty-five thousand inhabitants. Such enterprise  
9 zone designation shall only be made if such area which is to be  
10 included in the enterprise zone meets all the requirements of  
11 section 135.205.

12           8. In addition to the number of enterprise zones authorized  
13 pursuant to the provisions of sections 135.206, 135.210, 135.256  
14 and 135.257, the department of economic development shall  
15 designate one such zone for any area that includes property in  
16 two adjoining counties where one county is a county of the third  
17 classification without a township form of government with a  
18 population of less than sixteen thousand three hundred and more  
19 than sixteen thousand inhabitants and the other county is a  
20 county of the first classification having a population of at  
21 least one hundred seventy-one thousand but less than one hundred  
22 seventy-two thousand inhabitants. Such enterprise zone  
23 designation shall only be made if such area which is to be  
24 included in the enterprise zone meets all the requirements of

1 section 135.205.

2 9. In addition to the number of enterprise zones authorized  
3 pursuant to the provisions of sections 135.206, 135.210 and  
4 135.256, the department of economic development shall designate  
5 one such zone in a city of the fourth class with a population of  
6 more than four thousand located in a county of the third  
7 classification with a township form of government and with a  
8 population of less than thirteen thousand. Such enterprise zone  
9 designation shall only be made if the area in the city which is  
10 to be included in the enterprise zone meets all the requirements  
11 of section 135.205.

12 10. In addition to the number of enterprise zones  
13 authorized pursuant to the provisions of sections 135.206,  
14 135.210 and 135.256, the department of economic development shall  
15 designate one such zone in a city of the fourth class with a  
16 population of more than two thousand nine hundred located in a  
17 county of the third classification without a township form of  
18 government with a population of less than twelve thousand and  
19 more than eleven thousand seven hundred inhabitants. Such  
20 enterprise zone designation shall only be made if the area in the  
21 city which is to be included in the enterprise zone meets all the  
22 requirements of section 135.205.

23 11. In addition to the number of enterprise zones  
24 authorized pursuant to the provisions of sections 135.206,

1 135.210 and 135.256, the department of economic development shall  
2 designate one such zone in a county of the third classification  
3 without a township form of government with a population of less  
4 than twenty-four thousand five hundred and more than twenty-four  
5 thousand inhabitants. Such enterprise zone designation shall  
6 only be made if the area in the county which is to be included in  
7 the enterprise zone meets all the requirements of section  
8 135.205.

9 12. In addition to the number of enterprise zones  
10 authorized in this chapter, the department of economic  
11 development shall designate one such zone for any city of the  
12 fourth classification with more than one thousand three hundred  
13 but less than one thousand four hundred inhabitants and located  
14 in any county of the third classification without a township form  
15 of government and with more than twenty-two thousand eight  
16 hundred but less than twenty-two thousand nine hundred  
17 inhabitants. Such enterprise zone designation shall only be made  
18 if the area in the city which is to be included in the enterprise  
19 zone meets all the requirements of section 135.205.

20 135.211. In addition to any other enterprise zones  
21 authorized in this chapter, the department of economic  
22 development shall designate one enterprise zone which shall have  
23 boundaries that are the same as any county of the third  
24 classification without a township form of government and with

1 more than forty-one thousand one hundred but less than forty-one  
2 thousand two hundred inhabitants and the portion of any city of  
3 the fourth classification with more than one thousand eight  
4 hundred but less than one thousand nine hundred and located in  
5 more than one county that is not located in any county of the  
6 third classification without a township form of government and  
7 with more than forty-one thousand one hundred but less than  
8 forty-one thousand two hundred inhabitants. Such enterprise zone  
9 designation shall only be made if the area which is to be  
10 included in the enterprise zone meets all the requirements of  
11 section 135.205.

12 135.478. As used in sections 135.481 to 135.487, the  
13 following terms mean:

14 (1) "Department", the department of economic development;

15 (2) "Director", the director of the department of economic  
16 development;

17 (3) "Distressed community", as defined in section 135.530;

18 (4) "Eligible costs for a new residence", expenses incurred  
19 for property acquisition, development, site preparation other  
20 than demolition, surveys, architectural and engineering services  
21 and construction and all other necessary and incidental expenses  
22 incurred for constructing a new market rate residence, which is  
23 or will be owner-occupied, which is not replacing a national  
24 register listed or local historic structure; except that, costs

1 paid for by the taxpayer with grants or forgivable loans, other  
2 than tax credits, provided pursuant to state or federal  
3 governmental programs are ineligible;

4 (5) "Eligible costs for rehabilitation", expenses incurred  
5 for the renovation or rehabilitation of an existing residence  
6 including site preparation, surveys, architectural and  
7 engineering services, construction, modification, expansion,  
8 remodeling, structural alteration, replacements and alterations;  
9 except that, costs paid for by the taxpayer with grants or  
10 forgivable loans other than tax credits provided pursuant to  
11 state or federal governmental programs are ineligible;

12 (6) "Eligible residence", a single-family residence or a  
13 condominium or residence within a multiple residential structure  
14 or a structure containing multiple single-family residences forty  
15 years of age or older, located in this state and not within a  
16 distressed community as defined by section 135.530, which is  
17 occupied or intended to be or occupied long-term by the owner or  
18 offered for sale at market rate for owner-occupancy and which is  
19 either located within a United States census block group which,  
20 if in a metropolitan statistical area, has a median household  
21 income of less than ninety percent, but greater than or equal to  
22 seventy percent of the median household income for the  
23 metropolitan statistical area in which the census block group is  
24 located, or which, if located within a United States census block

1 group in a [nonmetropolitan] county that is not located in a  
2 metropolitan statistical area, has a median household income of  
3 less than ninety percent, but greater than or equal to seventy  
4 percent of the median household income for [the nonmetropolitan  
5 areas in the state] all counties not located within a  
6 metropolitan statistical area;

7 (7) "Flood plain", any land or area susceptible to being  
8 inundated by water from any source or located in a one  
9 hundred-year flood plain area determined by Federal Emergency  
10 Management Agency mapping as subject to flooding;

11 (8) "New residence", a residence constructed on land which  
12 if located within a distressed community has either been vacant  
13 for at least two years or is or was occupied by a structure which  
14 has been condemned by the local entity in which the structure is  
15 located or which, if located outside of a distressed community  
16 but within a census block group as described in subdivision (6)  
17 or (10) of this section, either replaces a residence forty years  
18 of age or older demolished for purposes of constructing a  
19 replacement residence, or which is constructed on vacant property  
20 which has been classified for not less than forty continuous  
21 years as residential or utility, commercial, railroad or other  
22 real property pursuant to article X, section 4(b) of the Missouri  
23 Constitution, as defined in section 137.016, RSMo; except that,  
24 no new residence shall be constructed in a flood plain or on

1 property used for agricultural purposes except as otherwise  
2 provided herein. [In a distressed community,] The term "new  
3 residence" shall include condominiums, owner-occupied units or  
4 other units intended to be owner-occupied in multiple unit  
5 structures or as separate adjacent single-family units;

6 (9) "Project", new construction, rehabilitation or  
7 substantial rehabilitation of a residence or residences, whether  
8 comprised of one structure containing multiple single-family  
9 residences or multiple individual structures that [qualifies]  
10 qualify for a tax credit pursuant to sections 135.475 to 135.487;

11 (10) "Qualifying residence", a single-family residence,  
12 forty years of age or older, located in this state which is  
13 occupied or intended to be occupied long-term by the owner or  
14 offered for sale at market rate for owner-occupancy and which is  
15 either located within a United States census block group which,  
16 if in a metropolitan statistical area [or nonmetropolitan  
17 statistical area within a United States census block group which  
18 has a median household income of less than seventy percent of the  
19 median household income for the metropolitan statistical area or  
20 nonmetropolitan area, respectively], has a median household  
21 income of less than seventy percent of the median household  
22 income for the metropolitan statistical area in which the census  
23 block group is located, or which, if located within a United  
24 States census block group that is located in a county that is not

1 located in a metropolitan statistical area, has a median  
2 household income of less than seventy percent of the median  
3 household income for all counties not located within a  
4 metropolitan statistical area or which is located within a  
5 distressed community. A qualifying residence shall include a  
6 condominium or residence within a multiple residential structure  
7 or a structure containing multiple single-family residences which  
8 is located within a distressed community;

9 (11) "Substantial rehabilitation", rehabilitation the costs  
10 of which exceed fifty percent of either the purchase price or the  
11 cost basis of the structure immediately prior to rehabilitation;  
12 provided that, the structure is at least fifty years old  
13 notwithstanding any provision of sections 135.475 to 135.487 to  
14 the contrary;

15 (12) "Tax liability", the tax due pursuant to chapter 143,  
16 147 or 148, RSMo, other than taxes withheld pursuant to sections  
17 143.191 to 143.265, RSMo;

18 (13) "Taxpayer", any person, partnership, corporation,  
19 trust or limited liability company.

20 135.481. 1. (1) Any taxpayer who incurs eligible costs  
21 for a new residence located in a distressed community or within a  
22 census block group as described in subdivision (6) or (10) of  
23 section 135.478, or for a multiple unit condominium described in  
24 subdivision (2) of this subsection, shall receive a tax credit

1 equal to fifteen percent of such costs against his or her tax  
2 liability. The tax credit shall not exceed forty thousand  
3 dollars per new residence in any ten-year period.

4 (2) For the purposes of this section, a "multiple unit  
5 condominium" is one that is intended to be owner occupied, which  
6 is constructed on property subject to an industrial development  
7 contract as defined in section 100.310, RSMo, and which lies  
8 within an area with a city zoning classification of urban  
9 redevelopment district established after January 1, 2000, and  
10 before December 31, 2001, and which is constructed in connection  
11 with the qualified rehabilitation of a structure more than ninety  
12 years old eligible for the historic structures rehabilitation tax  
13 credit described in sections 253.545 to 253.559, RSMo, and is  
14 under way by January 1, 2000, and completed by January 1, 2002.

15 2. [Any taxpayer who incurs eligible costs for a new  
16 residence located within a census block as described in  
17 subdivision (6) of section 135.478 shall receive a tax credit  
18 equal to fifteen percent of such costs against his or her tax  
19 liability. The tax credit shall not exceed twenty-five thousand  
20 dollars per new residence in any ten-year period.

21 3.] Any taxpayer who is not performing substantial  
22 rehabilitation and who incurs eligible costs for rehabilitation  
23 of an eligible residence or a qualifying residence shall receive  
24 a tax credit equal to twenty-five percent of such costs against

1 his or her tax liability. The minimum eligible costs for  
2 rehabilitation of an eligible residence shall be ten thousand  
3 dollars. The minimum eligible costs for rehabilitation of a  
4 qualifying residence shall be five thousand dollars. The tax  
5 credit shall not exceed twenty-five thousand dollars in any  
6 ten-year period.

7 [4.] 3. Any taxpayer who incurs eligible costs for  
8 substantial rehabilitation of a qualifying residence shall  
9 receive a tax credit equal to thirty-five percent of such costs  
10 against his or her tax liability. The minimum eligible costs for  
11 substantial rehabilitation of a qualifying residence shall be ten  
12 thousand dollars. The tax credit shall not exceed seventy  
13 thousand dollars in any ten-year period.

14 [5.] 4. A taxpayer shall be eligible to receive tax credits  
15 for new construction or rehabilitation pursuant to only one  
16 subsection of this section.

17 [6.] 5. No tax credit shall be issued pursuant to this  
18 section for any structure which is in violation of any municipal  
19 or county property, maintenance or zoning code.

20 [7.] 6. No tax credit shall be issued pursuant to sections  
21 135.475 to 135.487 for the construction or rehabilitation of  
22 rental property.

23 135.484. 1. Beginning January 1, 2000, tax credits shall  
24 be allowed pursuant to section 135.481 in an amount not to exceed

1 sixteen million dollars per year. Of this total amount of tax  
2 credits in any given year, eight million dollars shall be set  
3 aside for projects in areas described in subdivision (6) of  
4 section 135.478 and eight million dollars for projects in areas  
5 described in subdivision (10) of section 135.478. The maximum  
6 tax credit for a project consisting of multiple-unit qualifying  
7 residences in a distressed community and commenced before August  
8 28, 2003, shall not exceed three million dollars, and the maximum  
9 tax credit for a project commenced on or after August 28, 2003,  
10 shall not exceed one million five hundred thousand dollars. If,  
11 by October first of any calendar year, the director has issued  
12 all eight million dollars of tax credits allowed for projects in  
13 areas described in subdivision (6) of section 135.478, but not  
14 for projects in areas described in subdivision (10) of section  
15 135.478, or vice versa, the director shall reallocate seventy  
16 percent of any credits not allocated to finally approved  
17 applications for issuance to taxpayers which:

18 (1) Are engaged in projects in the area in which tax  
19 credits totaling eight million dollars have already been issued  
20 for the same year; and

21 (2) Have already applied for, but have not yet been issued,  
22 tax credits pursuant to section 135.487 for the same year.

23 Reallocated credits shall be issued pursuant to section 135.487;

1 except that, the maximum reallocated tax credit for any project  
2 shall not exceed five hundred thousand dollars.

3       2. Any amount of credit which exceeds the tax liability of  
4 a taxpayer for the tax year in which the credit is first claimed  
5 may be carried back to any of the taxpayer's three prior tax  
6 years and carried forward to any of the taxpayer's five  
7 subsequent tax years. A certificate of tax credit issued to a  
8 taxpayer by the department may be assigned, transferred, sold or  
9 otherwise conveyed. Whenever a certificate of tax credit is  
10 assigned, transferred, sold or otherwise conveyed, a notarized  
11 endorsement shall be filed with the department specifying the  
12 name and address of the new owner of the tax credit and the value  
13 of the credit.

14       3. The tax credits allowed pursuant to sections 135.475 to  
15 135.487 may not be claimed in addition to any other state tax  
16 credits, with the exception of the historic structures  
17 rehabilitation tax credit authorized pursuant to sections 253.545  
18 to 253.559, RSMo, which insofar as sections 135.475 to 135.487  
19 are concerned may be claimed only in conjunction with the tax  
20 credit allowed pursuant to subsection [4] 3 of section 135.481.  
21 In order for a taxpayer eligible for the historic structures  
22 rehabilitation tax credit to claim the tax credit allowed  
23 pursuant to subsection [4] 3 of section 135.481, the taxpayer  
24 must comply with the requirements of sections 253.545 to 253.559,

1 RSMo, and in such cases, the amount of the tax credit pursuant to  
2 subsection [4] 3 of section 135.481 shall be limited to the  
3 lesser of twenty percent of the taxpayer's eligible costs or  
4 forty thousand dollars.

5 135.487. 1. To obtain any credit allowed pursuant to  
6 sections 135.475 to 135.487, a taxpayer shall submit to the  
7 department, for preliminary approval, an application for tax  
8 credit. The director shall, upon final approval of an  
9 application and presentation of acceptable proof of substantial  
10 completion of construction, issue the taxpayer a certificate of  
11 tax credit. In the case of projects involving the new  
12 construction, rehabilitation or substantial rehabilitation of  
13 more than one residence, one application for tax credit may be  
14 submitted to the department for preliminary approval for the  
15 entire project, and the director shall issue the taxpayer a  
16 certificate of tax credit upon final approval of an application  
17 and presentation of acceptable proof of substantial completion of  
18 construction for each individual residence rather than delaying  
19 issuance of a tax credit pursuant to sections 135.475 to 135.487  
20 until substantial completion of the entire project. The director  
21 shall issue all credits allowed pursuant to sections 135.475 to  
22 135.487 in the order the applications are received. In the case  
23 of a taxpayer other than an owner-occupant, the director shall  
24 not delay the issuance of a tax credit pursuant to sections

1 135.475 to 135.487 until the sale of a residence at market rate  
2 for owner-occupancy. A taxpayer, taxpayer other than an  
3 owner-occupant who receives a certificate of tax credit pursuant  
4 to sections 135.475 to 135.487 shall, within thirty days of the  
5 date of the sale of a residence, furnish to the director  
6 satisfactory proof that such residence was sold at market rate  
7 for owner-occupancy. If the director reasonably determines that  
8 a residence was not in good faith intended for long-term owner  
9 occupancy, the director make revoke any tax credits issued and  
10 seek recovery of any tax credits issued pursuant to section  
11 620.017, RSMo.

12 2. The department may cooperate with a municipality or a  
13 county in which a project is located to help identify the  
14 location of the project, the type and eligibility of the project,  
15 the estimated cost of the project and the completion date of the  
16 project.

17 3. The department may promulgate such rules or regulations  
18 or issue administrative guidelines as are necessary to administer  
19 the provisions of sections 135.475 to 135.487. No rule or  
20 portion of a rule promulgated pursuant to the authority of this  
21 section shall become effective unless it has been promulgated  
22 pursuant to the provisions of chapter 536, RSMo.

23 4. The department shall conduct annually a comprehensive  
24 program evaluation illustrating where the tax credits allowed

1 pursuant to sections 135.475 to 135.487 are being utilized,  
2 explaining the economic impact of such program and making  
3 recommendations on appropriate program modifications to ensure  
4 the program's success.

5 135.530. For the purposes of sections 100.010, 100.710 and  
6 100.850, RSMo, sections 135.110, 135.200, 135.258, 135.313,  
7 135.403, 135.405, 135.503, 135.530 and 135.545, section 215.030,  
8 RSMo, sections 348.300 and 348.302, RSMo, and sections 620.1400  
9 to 620.1460, RSMo, "distressed community" means either a Missouri  
10 municipality within a metropolitan statistical area which has a  
11 median household income of under seventy percent of the median  
12 household income for the metropolitan statistical area, according  
13 to the last decennial census, or a United States census block  
14 group or contiguous group of block groups within a metropolitan  
15 statistical area which has a population of at least [two  
16 thousand] five hundred, and each block group having a median  
17 household income of under [seventy] seventy-five percent of the  
18 median household income for the metropolitan area in Missouri,  
19 according to the last decennial census. In addition the  
20 definition shall include municipalities not in a metropolitan  
21 statistical area, with a median household income of under seventy  
22 percent of the median household income for the nonmetropolitan  
23 areas in Missouri according to the last decennial census or a  
24 census block group or contiguous group of block groups which has

1 a population of at least two thousand five hundred each block  
2 group having a median household income of under seventy percent  
3 of the median household income for the nonmetropolitan areas of  
4 Missouri, according to the last decennial census. In  
5 metropolitan statistical areas, the definition shall include  
6 areas that are designated as either a federal empowerment zone;  
7 or a federal enhanced enterprise community; or a state enterprise  
8 zone that was originally designated before January 1, 1986, but  
9 will not include expansions of such state enterprise zones done  
10 after March 16, 1988.